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August 3, 2004

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: 11,160' Sand, Reservoir E
Hollywood Field
Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of C. Walter Dobie and Associates for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the 11,160 Sand Reservoir E in the Hollywood Field, Terrebonne Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated the 11,160' RE SUA.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To provide that any unit wells drilled to the 11,160' Sand inside the proposed unit should be exempt from any spacing requirements;
4. To provide that any future wells drilled to the 11,160' Sand outside of the proposed unit should be located in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner of Conservation should be authorized to reclassify the 11,160' Sand Reservoir E, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and

6. To consider such other matters as may be appropriate and justified the evidence presented at the hearing.

The 11,160' Sand, Reservoir E, in the Hollywood Field was previously defined in Office of Conservation Order No. 276-C-2 effective June 14, 1994.

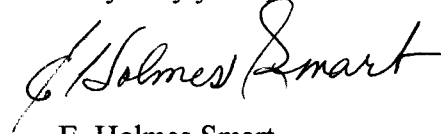
A conference was offered to be held at 10:00 a.m. August 12, 2004, but no request for one was received, consequently none was held. We do not, therefore, expect opposition at the hearing.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY by contacting E. Holmes Smart, 200 Audubon Blvd., Lafayette, Louisiana 70503, (Phone: 337-232-4031).

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties hereto.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,



E. Holmes Smart

EHS/hjs
Enclosures

- cc: Mr. Richard Hudson, District Manager
Office of Conservation
- cc: All Interested Owners, Represented Parties
& Interested Parties

